

Response ID ANON-ZGT2-TYWV-1

Submitted to New Zealand freight and supply chain issues paper | Te rautaki ueā me te rautaki whakawhiwhinga o Aotearoa
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What is your organisation?

Organisation:
AmZ Limited

Part 1: Understanding the freight and supply chain system in New Zealand

1 Do you agree with the outlined description of the freight and supply chain system?

Please explain in the box below. :

As described this is a high level version of a multi faceted system that needs to be completely flexible in it's operation

2 Do you have any views on the outlined role of government in the freight and supply chain system?

Please leave your comment in the box below::

New Zealand is a young immature country when it comes to freight and supply chain issues. No government can control or manage the freight and supply chain in isolation as in international trade, the trade New Zealand depends on there are so many parts dictated by external parties and practices. In addition, by world standards, New Zealand's trade volume is very small which means governments role needs to be very measured.

Part 2: The strategic context for change

3 Do you agree with the outlined strategic context and key opportunities and challenges?

Please explain in the box below. :

Agree to a certain level. The question becomes a "chicken and egg" one.

Do you modify the government's influence over the freight and supply chain issues in anticipation of a changing landscape or do you wait until a pattern emerges? International practice is for government to be an enabler rather than a participant.

Typically the New Zealand Government has kept its distance from the freight industry. It is my view that this has not always been the right thing to do. Sometimes decisions need to be made in the national interest and while it is a challenge it is also an opportunity for for government to make a difference by considering a regime that will protect New Zealand's sovereign interests in the freight and supply chain industry.

4 Are there any trends missing that we should consider?

If "yes", please write the trends we are missing in the box below. :

Yes. Firstly government needs to listen to the industry. There has been little interest from progressive governments since port and waterfront reform was enacted in the late 80's/early 90's. In this time the industry has changed dramatically and in my view is no longer fully understood by government.

Secondly New Zealand is lacking in the adoption of latest technology and applying this to steps with the logistics chain.

Thirdly the future of shipping, size, scheduling, service level and other practical aspects is not yet understood by government.

5 Which of the opportunities and challenges do you believe will be most important in shaping the future of the freight and supply chain system in New Zealand and why?

Please explain in the box below. :

A combination of the above is necessary to better understand the industry. Without this knowledge it is not possible to engage in any meaningful discussion or consider any change.

Part 3: Current vulnerabilities of the freight and supply chain system

6 Do you agree with the outlined vulnerabilities of the current system?

If not, please explain why:

Yes.

7 Is there any key information missing in understanding the vulnerabilities of the current system?

If 'Yes' please explain here:

Yes.

1) The New Zealand freight industry is very small by world standards. This creates a vulnerability. New Zealand cannot dictate terms so needs to focus on relationship building that will underwrite the enablement of a reliable supply chain service to the country.

2) Governance of ports and airports.

The New Zealand waterfront reforms changed the way ports are governed. As someone who was involved in the process I strongly believe the work was not completed. The public at large, the biggest shareholder, needs to understand how a modern port operates and the primary role of a port is what it does for the community, not who owns it.

3) Role of freight forwarders and consolidators.

New Zealand freight movements are largely controlled by a very small number of forwarders and consolidators. These people have built a highly lucrative industry. While the level of profit is one thing it is their ability to direct and control freight movements without having any skin in the game that should be of concern to the government.

Part 4: Our proposal for developing a freight and supply chain strategy

8 Do you agree with the proposed outcomes? If not, please explain why.

Do you agree with the proposed outcome 1. Low emissions? - 1. Low Emissions - New Zealand's freight and supply chain system is underpinned by a low emissions freight transport system:

Disagree

If you have answered "Disagree" or "Strongly disagree" please explain why:

There needs to be a stipulation that this statement refers to "within" the border of New Zealand.

International trade is influenced by international treaties and conventions. It would therefore be aspirational for New Zealand to believe that they are able to invoke a low emissions freight transport system without agreements from the international community.

Do you agree with the proposed outcome 2. Resilience? - 2. Resilience - New Zealand's freight and supply chain system is resilient, reliable, and prepared for potential disruptions:

Disagree

If you have answered "Disagree" or "Strongly disagree" please explain why:

The rail system is geographically handicapped and so will always be exposed to potential disruptions.

At this point in time the freight and supply chain in New Zealand has never showed such a paucity of resilience and reliability as is being experienced at the present time. Having been involved with container shipping in New Zealand since the first ship arrived in the country I have never recorded such queuing and wait times as are being experienced now. Some of this is a flow on from congestion at foreign ports however Ports of Auckland inability to deliver acceptable levels of productivity is having a serious impact on all New Zealand ports that handle container traffic.

Do you agree with the proposed outcome 3. Productivity and Innovation? - 3. Productivity and Innovation - New Zealand's freight and supply chain system is highly productive and innovative, and performs well when measured against global standards:

Disagree

If you have answered "Disagree" or "Strongly disagree" please explain why:

This was indeed correct some years ago. Unfortunately port congestion has impacted productivity across the board. Innovation is no longer as strong as it was and compared with overseas is sadly lacking.

Cargo handling productivity was once measured as good as any port in the world. This is no longer the case. A more worrying aspect is the lack of reliability and consistency of productivity. There are many reasons for this however there is also a considerable level of complacency within some port management.

At best, productivity at New Zealand ports is around average with international performance however when automation is included the productivity in New Zealand ports per man hour worked is below average.

Do you agree with the proposed outcome 4. Equity and Safety? - 4. Equity and safety - We transition to a low emission, resilient, productive and innovative freight and supply chain system in a way that is equitable and safe for all:

Strongly agree

If you have selected "Disagree" or "Strongly disagree" please explain why here:

There is nothing that sits above safety.

9 Are there more outcomes the strategy should focus on? If so, please explain what they are.

Please explain here:

Since the reforms of the late 80's/early 90's successive governments have been reluctant to become involved in New Zealand's freight and supply chain industry. This is partly because of the role of local body government and as a consequence long term strategy has fallen through the cracks. The current port structure will run out of capacity in around 25 years. There is an opportunity to get cross party support and embark upon a path that will deliver a solution that will serve New Zealand for at least the next 100 years. This decision will result in other transport modes being backed into the outcome and secure a freight and supply chain that will meet and likely exceed all of the low emission, resilience, productivity and innovation in a way that is equitable and safe for all. All it needs is vision.

10 Do you agree with the potential areas of focus for the strategy?

If not, please explain why:

Yes and No.

Overall the areas of focus for the strategy as described in this paper lack detail and can be considered to "lite".

11 Which of these areas of focus would be most important to prioritise?

Type your answer here:

All of them have equal ranking as they are dependent on each other.

12 What would successful stakeholder engagement on the development of the strategy look like from your perspective?

Type your answer here :

The outcome is crucial for the future of New Zealand.

A study such as this has been lacking.

As the outcome is 100% in the interests of New Zealand bi-partisan participation and buy in is the corner stone.

13 How could we best engage with Māori on the strategy?

Type your answer here :

From day one, engage and inform Māori. Nothing will be achieved without Māori being included.

Having worked a lot with Māori during the development of the Ruakura Inland Port I am totally unqualified to determine exactly how this will be achieved.

Provide further feedback

14 Any general feedback on the consultation

Add your comments, ideas, and feedback here:

In the early part of 2020 Michael Barnett, CEO of the Auckland Business Chamber, requested I develop a practical solution for the Chamber that they would adopt as their position for the future of ports in the Upper North Island.

A draft was submitted and the Chamber tweaked certain parts before Michael put his name to it and the document was circulated. Both documents have been up loaded to this site.

Because the proposal was developed after Sapere delivered their report this concept has never been measured or tested against alternative solutions.

While it is centred on the Firth of Thames it is an entirely different proposition to the Firth of Thames option measured by Sapere.

This concept is a total New Zealand solution.

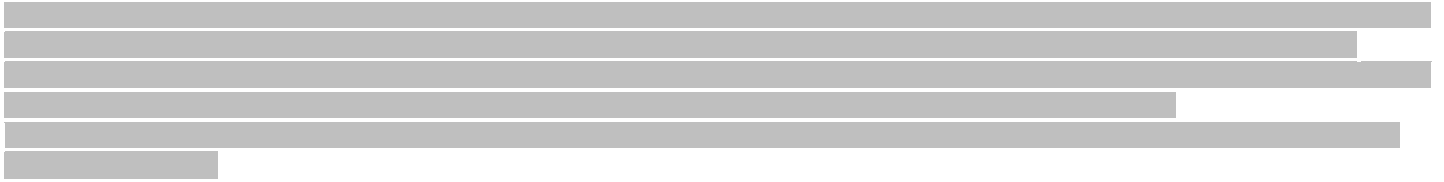
The proposal presents as an overarching concept and over the past two years there has been significant work undertaken to add detail to the proposal.

There are now a significant number of layers that sit under the master document. These layers cover:-

- Sovereignty
- Ownership
- Financing
- Climate change impact
- Environment
- Tangata Whenua
- Social impact
- Operating model
- Technology
- Build options
- Compatibility and incorporation of coastal shipping (Blue road concept)
- Impact on and relationship with existing transport modes
- Impact across transport corridors and New Zealand Ports Inc.
- Level of service redundancy
- Future proofing
- Mitigation measures
- New opportunities for New Zealand
- International security compliance

- International hub port recognition

Detail for each layer will be made available on application.



15 Upload supporting documentation

Upload documentation:

AUK CHAMBER PORT SOLUTION 2020 (FINAL).pdf was uploaded